

Senate File 2069 - Introduced

SENATE FILE 2069

BY MATHIS

A BILL FOR

1 An Act relating to county financing of certain projects by
2 modifying provisions relating to authorization procedures
3 for certain county projects and establishing a county
4 threshold committee.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.301, subsection 10, paragraph e,
2 subparagraph (1), subparagraph division (a), Code 2014, is
3 amended to read as follows:

4 (a) The board must follow substantially the authorization
5 procedures of section 331.443 to authorize a lease or
6 lease-purchase contract for personal property which is payable
7 from the general fund. The board must follow substantially
8 the authorization procedures of section 331.443 to authorize
9 a lease or lease-purchase contract for real property which is
10 payable from the general fund if the principal amount of the
11 lease-purchase contract does not exceed the following limits:

12 (i) ~~Four hundred thousand~~ One million dollars in a county
13 having a population of twenty-five thousand or less.

14 (ii) ~~Five hundred thousand~~ Two million dollars in a county
15 having a population of more than twenty-five thousand but not
16 more than fifty thousand.

17 (iii) ~~Six hundred thousand~~ Three million dollars in a county
18 having a population of more than fifty thousand but not more
19 than one hundred thousand.

20 (iv) ~~Eight hundred thousand~~ Four million dollars in a county
21 having a population of more than one hundred thousand but not
22 more than two hundred thousand.

23 (v) ~~One~~ Five million dollars in a county having a population
24 of more than two hundred thousand.

25 Sec. 2. Section 331.441, subsection 2, paragraph b,
26 subparagraph (5), Code 2014, is amended to read as follows:

27 (5) Public buildings, including the site or grounds of, and
28 the erection, equipment, remodeling, or reconstruction of, and
29 additions or extensions to the buildings, and including the
30 provision and maintenance of juvenile detention or shelter care
31 facilities, when the ~~cost~~ principal amount of the bonds does
32 not exceed the following limits:

33 (a) ~~Six hundred thousand~~ One million dollars in a county
34 having a population of twenty-five thousand or less.

35 (b) ~~Seven hundred fifty thousand~~ Two million dollars in a

1 county having a population of more than twenty-five thousand
2 but not more than fifty thousand.

3 (c) ~~Nine hundred thousand~~ Three million dollars in a county
4 having a population of more than fifty thousand but not more
5 than one hundred thousand.

6 (d) ~~One Four million two hundred thousand~~ dollars in a
7 county having a population of more than one hundred thousand
8 but not more than two hundred thousand.

9 (e) ~~One Five million five hundred thousand~~ dollars in a
10 county having a population of more than two hundred thousand.

11 Sec. 3. Section 331.441, subsection 2, paragraph c,
12 subparagraph (9), Code 2014, is amended to read as follows:

13 (9) Public buildings, including the site or grounds of,
14 the erection, equipment, remodeling, or reconstruction of, and
15 additions or extensions to the buildings, and including the
16 provision and maintenance of juvenile detention or shelter care
17 facilities, when the ~~cost~~ principal amount of the bonds exceeds
18 the limits stated in subsection 2, paragraph "b", subparagraph
19 (5).

20 Sec. 4. NEW SECTION. 331.441A **County threshold committee**
21 **— adjustments — notice.**

22 1. The director of the department of management shall
23 appoint a county threshold committee. The committee
24 shall consist of seven members, three of whom shall be
25 representatives of counties, three of whom shall be
26 representatives of private sector contractor organizations, and
27 with the remaining member being the director of the department
28 of management or the director's designee, who shall serve as
29 chairperson of the committee. A vacancy in the membership of
30 the committee shall be filled by the director.

31 2. The committee shall review the thresholds applicable
32 to county lease and lease-purchase contracts under section
33 331.301, subsection 10, paragraph "e", subparagraph (1),
34 subparagraph division (a), and to county projects defined as
35 an essential county purpose under section 331.441, subsection

1 2, paragraph "b", subparagraph (5), or a general county
2 purpose under section 331.441, subsection 2, paragraph "c",
3 subparagraph (9). The committee shall review price adjustments
4 for all types of such contracts and projects based on changes
5 in the construction price index from the preceding year. Upon
6 completion of the review, the committee may make adjustments in
7 the applicable thresholds for types of contracts and projects
8 based on the price adjustments. However, a threshold shall
9 not be adjusted to an amount that is less than the threshold
10 applicable to a county on July 1, 2014, as provided in section
11 331.301 or section 331.441. An adjusted threshold shall take
12 effect as provided in subsection 3, and shall remain in effect
13 until a new adjusted threshold is established and becomes
14 effective as provided in this section.

15 3. The committee shall meet to conduct the review and
16 make the adjustments described in this section on or before
17 August 1 of every other year, or of every year if determined
18 necessary by the committee. By September 1 of each year in
19 which a committee makes adjustments in the thresholds, the
20 director shall cause an advisory notice to be published in the
21 Iowa administrative bulletin and in a newspaper of general
22 circulation in this state, stating the adjusted thresholds to
23 be in effect on January 1 of the following year, as established
24 by the committee under this section.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with
27 the explanation's substance by the members of the general assembly.

28 This bill relates to county finance by modifying provisions
29 relating to the authorization procedures for county projects by
30 raising certain limitation amounts and by establishing a county
31 threshold committee.

32 The bill increases the threshold amounts that determine
33 whether a project can be undertaken using the procedures for
34 essential county purpose bonds when the project involves
35 a lease contract or a lease-purchase contract. The bill

1 increases the threshold amounts in the following manner: For
2 counties with a population of 25,000 or less, the threshold
3 amount is increased from \$400,000 to \$1 million; for counties
4 with a population of more than 25,000 but not more than 50,000,
5 the threshold amount is increased from \$500,000 to \$2 million;
6 for counties with a population of more than 50,000 but not more
7 than 100,000, the threshold amount is increased from \$600,000
8 to \$3 million; for counties with a population of more than
9 100,000 but not more than 200,000, the threshold amount is
10 increased from \$800,000 to \$4 million; and for counties with
11 a population of more than 200,000, the threshold amount is
12 increased from \$1 million to \$5 million.

13 The bill modifies the definition of "essential county
14 purpose" to specify that public building projects meet the
15 definition of "essential county purpose" if the principal
16 amount of the bonds does not exceed certain threshold amounts
17 based upon the population of the county. Current law specifies
18 that a public building project meets the definition of an
19 "essential county purpose" if the costs of the project do not
20 exceed certain threshold amounts based upon the population of
21 the county.

22 The bill increases the threshold amounts that determine
23 whether a public building project is an essential county
24 purpose and whether the board of supervisors may follow the
25 authorization procedures for essential county purpose bonds
26 under Code section 331.443.

27 The board may follow the authorization procedures for
28 essential county purpose bonds when the principal amount of the
29 bonds does not exceed the following limits: (1) \$1 million
30 in a county having a population of 25,000 or less; (2) \$2
31 million in a county having a population of more than 25,000
32 but not more than 50,000; (3) \$3 million in a county having a
33 population of more than 50,000 but not more than 100,000; (4)
34 \$4 million in a county having a population of more than 100,000
35 but not more than 200,000; (5) \$5 million in a county having a

1 population of more than 200,000.

2 The bill modifies the definition of "general county purpose"
3 to specify that public building projects meet the definition of
4 "general county purpose" if the principal amount of the bonds
5 exceeds certain threshold amounts based upon the population
6 of the county. Current law specifies that a public building
7 project meets the definition of "general county purpose" if the
8 costs of the project exceed certain threshold amounts based
9 upon the population of the county.

10 Generally, an essential county purpose bond issuance does
11 not require approval of the voters and a general county purpose
12 bond issuance requires approval of the voters.

13 The bill directs the director of the department of
14 management to appoint a county threshold committee. The
15 committee consists of seven members, three of whom shall
16 be representatives of counties, three of whom shall be
17 representatives of private sector contractor organizations,
18 and the remaining member being the director of the department
19 of management or the director's designee, who shall serve as
20 chairperson of the committee.

21 The committee is required to review the thresholds
22 applicable to county lease and lease-purchase contracts
23 under Code section 331.301 and to county projects defined
24 as essential purposes or general county purposes under Code
25 section 331.441. The committee is required to review price
26 adjustments for all types of such contracts and projects based
27 on changes in the construction price index from the preceding
28 year. Upon completion of the review, the committee may make
29 adjustments in the applicable thresholds based on the price
30 adjustments. However, a threshold may not be adjusted to an
31 amount that is less than the threshold applicable to a county
32 on July 1, 2014. The committee meets on or before August 1
33 of every other year, or of every year if determined necessary
34 by the committee. By September 1 of each year in which a
35 committee makes adjustments in the thresholds, the director of

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1 the department of management shall cause an advisory notice
2 to be published in the Iowa administrative bulletin and in
3 a newspaper of general circulation in this state, stating
4 the adjusted thresholds to be in effect on January 1 of the
5 following year, as established by the committee.